

**RULES  
OF  
TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT  
DIVISION OF EMPLOYMENT SECURITY  
BUREAU OF UNEMPLOYMENT INSURANCE  
UNEMPLOYMENT INSURANCE PREMIUMS**

**CHAPTER 0560-2-4  
WAGES**

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**0560-2-4-.01 WAGES - TERM IMMATERIAL.**

- (1) The name by which remuneration is designated is immaterial thus, "salaries," "commissions," "drawing accounts," "fees" and "bonuses" are wages within the meaning of the law if paid by an employing unit to its workers for services not excepted by the law.

**Authority:** T.C.A. §§50-7-602 and 50-7-603. **Administrative History:** Original rule certified May 17, 1974. Repeal and new rule filed January 22, 1996; effective May 30, 1996. Amendment filed May 22, 2001; effective September 28, 2001.

**0560-2-4-.02 MEDIUM OTHER THAN CASH.**

- (1) The medium in which the remuneration is paid is also immaterial. Remuneration may be paid in cash or something other than cash, such as goods, lodgings, rent, food or clothing. However, meals shall not be taxable as wages if and only if the meals were furnished for the employer's convenience and on the employer's premises. Lodging shall not be taxable as wages if and only if furnished on the employer's premises, for the employer's convenience and as a condition of employment.

**Authority:** T.C.A. Sections §§50-7-602 and 50-7-603. **Administrative History:** Original rule certified May 17, 1974. Amendment filed May 26, 1982; effective August 30, 1982. Repeal and new rule filed January 22, 1996; effective May 30, 1996. Amendment filed May 22, 2001; effective September 28, 2001.

**0560-2-4-.03 REMUNERATION FOR SERVICES ON COMMITTEES.**

- (1) Remuneration paid by an employing unit to any individual for services performed as a member of an appraisal committee, auditing committee, examining committee of such employing unit, whether such remuneration is in the form of fees, salaries or otherwise, shall constitute wages.

**Authority:** T.C.A. §§50-7-602 and 50-7-603. **Administrative History:** Original rule certified May 17, 1974. Repeal and new rule filed January 22, 1996; effective May 30, 1996. Amendment filed May 22, 2001; effective September 28, 2001.

**0560-2-4-.04 BONUS DEFINED.**

- (1) "Bonus" means a sum paid to, or merchandise or other thing of value received by, a worker from an employing unit for services performed, or upon a consideration, provided that such sum, merchandise or other thing of value:

(Rule 0560-2-4-.04, continued)

- (a) is in addition to any excess of that which would ordinarily be paid, and
- (b) is not a gift or a gratuity.

**Authority:** T.C.A. §§50-7-602 and 50-7-603. **Administrative History:** Original rule certified May 17, 1974. Repeal and new rule filed January 22, 1996; effective May 30, 1996. Amendment filed May 22, 2001; effective September 28, 2001.

#### **0560-2-4-.05 DRAWING ACCOUNTS.**

- (1) Drawing accounts or advances against commissions shall be computed as wages of the worker at the amount actually drawn by the worker and at the time so drawn and for the period drawn regardless of the status of account between the employing unit and worker at that time.

**Authority:** T.C.A. §§50-7-602 and 50-7-603. **Administrative History:** Original rule certified May 17, 1974. Repeal and new rule filed January 22, 1996; effective May 30, 1996. Amendment filed May 22, 2001; effective September 28, 2001.

#### **0560-2-4-.06 NO CASUAL WORKERS.**

- (1) In determining the premiums paid by the employing unit on the wages to a worker, no distinction shall be made between full-time workers and part-time workers. The remuneration of all workers regardless of the length of time of their service shall be considered in computing the premiums of the employing unit.

**Authority:** T.C.A. §§50-7-602 and 50-7-603. **Administrative History:** Original rule certified May 17, 1974. Repeal and new rule filed January 22, 1996; effective May 30, 1996. Amendment filed May 22, 2001; effective September 28, 2001.

#### **0560-2-4-.07 ITEMS ORDINARILY NOT CONSIDERED WAGES.**

- (1) Facilities or privileges, such as entertainment, cafeterias, restaurants, medical service or so-called “courtesy” discounts on purchase, furnished or offered by an employing unit to its workers and the immediate members of its workers’ families, are not considered remuneration for service if such facilities or privileges are offered or furnished by the employing unit merely as a convenience to the workers or as a means of promoting the health, good will, contentment, or efficiency of its workers.

**Authority:** T.C.A. §§50-7-602 and 50-7-603. **Administrative History:** Original rule certified May 17, 1974. Repeal and new rule filed January 22, 1996; effective May 30, 1996. Amendment filed May 22, 2001; effective September 28, 2001.

#### **0560-2-4-.08 REASONABLE DIRECTORS’ FEES.**

- (1) Reasonable fees paid to directors of corporations, as such, do not constitute wages.

**Authority:** T.C.A. §§50-7-602 and 50-7-603. **Administrative History:** Original rule certified May 17, 1974. Repeal and new rule filed January 22, 1996; effective May 30, 1996. Amendment filed May 22, 2001; effective September 28, 2001.

#### **0560-2-4-.09 PENSIONS TO RETIRED WORKERS.**

- (1) Pension paid to retired workers who perform no service for the employing unit do not constitute wages.

(Rule 0560-2-4-.09, continued)

**Authority:** T.C.A. §§50-7-602 and 50-7-603. **Administrative History:** Original rule certified May 17, 1974. Repeal and new rule filed January 22, 1996; effective May 30, 1996. Amendment filed May 22, 2001; effective September 28, 2001.

#### **0560-2-4-.10 REASONABLE DISCOUNTS.**

- (1) Reasonable discounts on property or security purchases do not constitute wages. Whether or not such discounts are reasonable shall be determined by the Commissioner according to the facts of each case.

**Authority:** T.C.A. §§50-7-602 and 50-7-603. **Administrative History:** Original rule certified May 17, 1974. Repeal and new rule filed January 22, 1996; effective May 30, 1996. Amendment filed May 22, 2001; effective September 28, 2001.

#### **0560-2-4-.11 BOARD.**

- (1) Where not agreed upon by the employer and the employee, the minimum value of board furnished the employee as part of the remuneration is hereby declared to be as follows:
  - (a) Breakfast - \$.75
  - (b) Dinner - \$1.25
  - (c) Supper - \$2.00
- (2) No agreement between the employer and the employees shall reduce the value of said meals for premium purposes below the amounts set out in 0560-2-4-.11(1).

**Authority:** T.C.A. §§50-7-602 and 50-7-603. **Administrative History:** Original rule certified May 17, 1974. Repeal and new rule filed January 22, 1996; effective May 30, 1996. Amendment filed May 22, 2001; effective September 28, 2001.

#### **0560-2-4-.12 LODGING.**

- (1) Where not otherwise agreed upon by the employer and the employee, the minimum value of lodging as part of the remuneration is \$30.00 per month, \$7.50 per week or \$1.50 per day.
- (2) No agreement between the employer and the employee shall reduce the value of such lodging for contribution purposes, below the amounts set out in 0560-2-4-.12(2).

**Authority:** T.C.A. §§50-7-602 and 50-7-603. **Administrative History:** Original rule certified May 17, 1974. Repeal and new rule filed January 22, 1996; effective May 30, 1996. Amendment filed May 22, 2001; effective September 28, 2001.